

into the legitimate channels of international commerce, threaten the integrity of the domestic and international financial systems on which the economies of many nations now rely.

For all of these reasons, I have determined that the actions of significant narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause in the United States and abroad, constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I have, accordingly, declared a national emergency in response to this threat.

The measures I am taking are designed to deny these traffickers benefit of any assets subject to the jurisdiction of the United States and to prevent United States persons from engaging in any commercial dealings with them, their front companies, and their agents. These measures demonstrate firmly and decisively the commitment of the United States to end the scourge that such traffickers have wrought upon society in the United States and beyond. The magnitude and dimension of the current problem warrant utilizing all available tools to wrest the destructive hold that these traffickers have on society and governments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 21, 1995.*

MEASURES REFERRED

The following concurrent resolution, previously received from the House of Representatives for the concurrence of the Senate, was read and referred as indicated:

H. Con. Res. 108. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 1594; to the Committee on Labor and Human Resources.

MEASURES PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 1715. An act respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1536. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual Horse Protection Enforcement Report for fiscal year 1994; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1537. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation for the Conservation Title of the 1995 Farm Bill; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1538. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93-03; to the Committee on Appropriations.

EC-1539. A communication from the Secretary of the Panama Canal Commission, transmitting, pursuant to law, a notice of determination relative to contract awards; to the Committee on Armed Services.

EC-1540. A communication from the Chief of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intention to offer transfer by sale of three vessels; to the Committee on Armed Services.

EC-1541. A communication from the Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report entitled, "Flood Insurance Compliance"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1542. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation to amend chapter 303 of title 49, United States Code, to provide for the transfer of selected National Driver Register functions to non-Federal management, to provide authorizations for appropriations for each of fiscal years 1996 and 1997, and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. 1357. An original bill to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BREAUX:

S. 1354. A bill to approve and implement the OECD Shipbuilding Trade Agreement; to the Committee on Finance.

By Mr. DORGAN (for himself, Mr. DASCHLE, Mr. CONRAD, Mr. LEVIN, Mr. REID, Mr. WELLSTONE, Mr. SIMON, Mr. FEINGOLD, Mr. KENNEDY, Mr. LEAHY, Mr. HARKIN, Mr. BYRD, Mr. FORD, Mr. KERREY, Mr. BUMPERS, and Mr. KERRY):

S. 1355. A bill to amend the Internal Revenue Code of 1986 to end deferral for United States shareholders on income of controlled foreign corporations attributable to property imported into the United States; to the Committee on Finance.

By Mr. PRESSLER:

S. 1356. A bill to amend the Shipping Act of 1984 to provide for ocean shipping reform, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI:

S. 1357. An original bill to provide for reconciliation pursuant to section 105 of the concurrent resolution on the budget for fiscal year 1996; from the Committee on the Budget; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BREAUX:

S. 1354. A bill to approve and implement the OECD Shipbuilding Trade Agreement; to the Committee on Finance.

THE SHIPBUILDING TRADE AGREEMENT ACT

• Mr. BREAUX. Mr. President, I introduce legislation to approve and implement the Agreement Respecting Normal Competitive Conditions in the Commercial Shipbuilding and Repair Industry, also known as the OECD Shipbuilding Agreement. While not perfect, this agreement appears to be our last best chance to eliminate unfair subsidies, to counter injurious pricing policies, to reign in trade distorting export financing, and to institute an effective binding dispute settlement system for shipbuilding controversies. Because of this agreement, for the first time, U.S. shipyard workers will have safeguards against having to compete with continued funding from foreign treasuries.

My involvement with the issue of unfair foreign shipbuilding practices relates to my State of Louisiana being one of the premier shipbuilding States in the country. Over 27,000 Louisiana jobs are impacted by constructing or repairing ships. As has been the case nationwide, Louisiana's shipbuilding employment has suffered significantly since the 1980's. This situation is due to U.S. defense downsizing and to unfair foreign shipbuilding practices. Since 1989, I've been actively working to eliminate unfair foreign shipbuilding practices and to restore the U.S. commercial shipbuilding industry.

How did the United States get in this dilemma? From 1974 to 1987, worldwide overall demand for ocean going vessels declined 71 percent. During the same time span, United States merchant vessel construction dropped drastically from an average of 72 ships/year to an average of 21 ships/year. Also during this period governments in all the major shipbuilding nations, with the exception of the United States, dramatically increased aid to their shipyards and their associated infrastructure with massive levels of subsidies in virtually every form.

The U.S. Government, however, decided to unilaterally terminate commercial construction subsidies to U.S. yards. Instead, U.S. Defense shipbuilding increased. U.S. Defense shipbuilding construction rose from an average of 79 ships/year in the 1970's to an average of 95 ships/year in the 1980's. The net result was a virtual abandonment by the large U.S. Defense yards to subsidized foreign yards of the international commercial shipbuilding market. In 10 years, the number of major U.S. shipyards producing only commercial ships declined from 11 to 1.

The end of the 1980's saw a Department of Defense reevaluation of the need for a 600-ship navy. It also saw the U.S. shipbuilding industry reevaluate its need to compete for commercial ship construction orders in a subsidized world market. Consequently, in June of 1989, the U.S. shipbuilding industry,

represented by the Shipbuilders Council of America, filed a claim for injurious unfair subsidies under section 301 of the U.S. trade laws against the major shipbuilding countries of the world.

Later that year, however, U.S. Trade Ambassador Carla Hills, persuaded the industry that a better way to eliminate the foreign subsidies was through multilateral negotiations. Industry decided to give international negotiations a chance and therefore withdrew its section 301 claim. The 5-year OECD quest to eliminate shipbuilding subsidies had begun.

From late 1989 to late 1994, the OECD negotiations were constantly on again and off again. During 1993, when the talks had seemingly collapsed, I introduced a bill in the Senate (S. 990) and Congressman SAM GIBBONS introduced a bill in the House (H.R. 1402), that would have invoked significant sanctions against ships constructed in foreign subsidized yards when those ships called upon the United States. This legislation became unnecessary when the agreement was finally signed.

From June 1989 until the present agreement was signed on December 21, 1994, the U.S. objective and the industry's urgent request appeared to be straightforward: "Eliminate subsidies and we can compete." When the Clinton administration came into office, to its credit, it proposed a shipyard revitalization plan. Assistant U.S. Trade Representative Don Phillips described the nature of the plan for the Senate Finance Committee Trade Subcommittee on November 18, 1993 when he said:

Finally, this five-point program is a transitional program, consistent with federal assistance to other industries seeking to convert from defense to civilian markets. In addition, it seeks to support, not undercut, the negotiations that are currently underway in the OECD. *In this regard, we have made clear our intention to modify this program, as appropriate, so that it would be consistent with the provision of a multilateral agreement—if and when such an agreement enters into force.* (emphasis added).

Now we have such an agreement, but the largest U.S. Defense shipyards don't want it because current U.S. transitional subsidies will need to be curbed, as well as additional future subsidies prohibited, in order to be consistent with the agreement. This is really the issue in a nutshell. We can talk about the Jones Act, we can talk about the trustworthiness of other countries, we can talk about the adequacy of enforcement mechanisms, but what it really seems to come down to for these big shipyards is whether or not we can keep our currently advantageous subsidies.

In all the comments I have heard to date about this agreement, I have yet to hear of a scenario whereby U.S. industry is better off fighting unfair foreign shipbuilding practices without the agreement than it would be with the agreement. For example, this agreement will give us real tools to fight unfair French subsidies. It will allow us

to counter unfair dumping of ships by Japan and Korea. It will finally plug the gap in existing U.S. trade laws that has cost so many American shipyard workers their jobs.

The assertions that this agreement somehow puts the Jones Act domestic build provisions in jeopardy is discredited by our own Jones Act carriers who stand to lose the most under a faulty agreement. The largest Jones Act carriers, in fact, support the agreement and they clearly would not if this agreement hurt their interests—it does not. In addition, many of the new shipbuilding orders that have been placed at U.S. shipyards are for use in the Jones Act trade.

It also seems that the optimism over the current success of our title XI financing program may be overstated. As I understand it, the new export orders associated with the current title XI program exist because our stepped-up title XI program is currently protected by a standstill clause in the OECD agreement. If we reject the agreement, we lose the standstill clause, and consequently it seems to reason that we will lose our current title XI advantage. While I recognize the need to conform our title XI program, I am willing to explore the continuation of current title XI terms, subject to reasonable due diligence negotiations, to the date that we implement the terms of the agreement.

Unless we are prepared to win a long-term subsidies race with our competitors, I don't understand how we can reject this agreement. Not only is Congress faced with dire budgetary decisions, such as cutting over \$450 billion from Medicare and Medicaid over the next 7 years, but the Department of Defense has also indicated that it will not fund commercial shipbuilding subsidies through its DOD accounts.

Add heightened competition due to increasing world shipbuilding capacity and it seems to me, and history supports, that our competitors are very likely to match or exceed what little amounts we will be able to devote to title XI. It was estimated by the Shipbuilding Council in 1993 that the top six subsidizing nations in the OECD were budgeting over \$9 billion on average each year to assist their shipyards. We may then find ourselves in the same untenable situation that confronted our industry in 1981: No international subsidies disciplines, inadequate U.S. trade remedies, and no recourse for the U.S. commercial shipbuilding industry and its workers.

Mr. President, we're all in the same boat, so to speak. However, before anyone attempts to scuttle this agreement to help revise our U.S. commercial shipbuilding industry, I'd like to redouble efforts with all members of the industry to see what we can do to close the remaining competitiveness gap. Our goal should be to couple the significant advantages of this agreement with genuine and creative improve-

ments in U.S. shipbuilding competitiveness.

With this in mind, I am introducing the Shipbuilding Trade Agreement Act. The text of this bill closely reflects an administration draft that we have attempted to improve and strengthen. It is a bipartisan work-in-progress bill composed of two titles. Title I contains "injurious pricing and counter-measures" provisions that closely track current U.S. antidumping laws, while taking into account the unique nature of ship transactions. Title II contains "other provisions" including amendments to the Merchant Marine Act of 1936, repeal of the U.S. vessel repair statute for signatory countries, and a special monitoring provision to ensure foreign country compliance with the terms of the shipbuilding agreement.

The House Ways and Means trade Subcommittee has already held a hearing on this agreement. I understand the subcommittee is currently making final revisions to the same USTR draft that we used and intends to introduce a bill in the House shortly. It is my hope that the House can move its bill quickly in order that both legislative bodies might pass a bill and send it to the President for signature before year-end. I have requested a full committee hearing on this Senate bill with the chairman of the Senate Finance Committee. Commerce Committee Surface Transportation and Merchant Marine Subcommittee Chairman TRENT LOTT has also indicated interest in holding a hearing on the agreement.

In closing, we stand before a window of opportunity for the U.S. commercial shipbuilding industry. The \$265 billion commercial shipbuilding market is fast approaching its cyclical peak. I am hopeful that we will seize this moment and implement this agreement. It may be our best and only chance to end foreign shipbuilding subsidies and finally give our workers and yards the level playing field for which they have asked, and deserved, for too long.

I also ask unanimous consent that a copy of the October 19, 1995, Journal of Commerce editorial supporting the OECD Shipbuilding Agreement be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, Oct. 19, 1995]

END SHIP SUBSIDIES

Government subsidies have been the mainstay of foreign shipbuilders for decades. That has been a good deal for companies that buy ships but a burden for taxpayers who underwrite the handouts, and a problem for unsubsidized shipyards, including those in the United States.

Much of this would change under a pending global agreement, which would end most subsidies and give U.S. shipbuilders a better chance to compete. But the agreement is languishing in Congress, a victim mainly of political concerns. After more than six years spent negotiating this deal, lawmakers would be foolish to let it unravel over partisan sniping. Congress should approve it, and soon.

Japan, Korea and Europe dominate the world shipbuilding market, and for years their governments have showered them with financial support. The United States, which ended its direct subsidies in 1981, has been trying for six years to stop the foreign hand-outs. A deal completed in 1994 would largely do that, and it is scheduled to take effect Jan. 1 but only if the major shipbuilding nations ratify it. So far, the United States has not, and the prospects for approval are uncertain.

Most of the problems are purely political. The shipbuilding agreement's strongest supporter, Rep. Sam Gibbons, is the former Democratic chairman of the House Ways and Means Committee. The new Republican chairman, Rep. Bill Archer, has been cool toward an agreement viewed largely as a Democratic initiative—even though, as a Republican, Mr. Archer should be stumping for *any* plan that ends government subsidies. Indeed, Mr. Archer might eventually back the agreement, but only if influential Democrats support one of his bills. This is the usual Washington game of political trade-offs, but if a deal isn't struck soon, the pact may not be ratified by the January deadline.

The other problem is rooted in the White House. The Clinton administration negotiated the shipbuilding agreement and supports it publicly. But several big shipyards oppose it, as do their labor unions. Mr. Clinton, anxious to rebuild his labor base in time for the election, has been careful not to offend unions this year, so the White House hasn't been pushing Congress very hard.

Mr. Clinton and Republican leaders would do well to look at the larger issue here. Like farming and steel, shipbuilding has been one of the most distorted of international industries. Decisions on where to build ships have been based as much on government subsidies as on quality and workmanship. This has hurt U.S. shipyards, and the agreement would begin to change that.

Ironically, the biggest U.S. shipyards continue to fight the pact, arguing, instead, for new direct subsidies to help them make up for lost time. That is stunningly shortsighted. Any new subsidy plan by the United States would be matched instantly by other shipbuilding nations. Indeed, other countries most likely would top any U.S. subsidy, as they have before. That would leave U.S. shipbuilders in the same position they've been in for the last 15 years. For that reason, many smaller shipyards, including those with more commercial experience, are supporting the agreement.

Foreign shipyards, admittedly, have a leg up on their U.S. competitors because of existing subsidies, some of which will not be completely phased out until 1999. But U.S. yards have had their own advantages over the years, including lucrative military work and a government-created monopoly on building ships for the U.S. domestic trades. In fact, commercial ship orders actually have been increasingly lately at U.S. yards. A generous government loan guarantee program has spurred the new orders, and while the program will be scaled back under the new pact, it has given U.S. yards a foot in the door with commercial buyers.

No trade agreement can ever instantly level the competitive field between nations. Still, the shipbuilding pact gets other countries off the subsidy treadmill and restores some sense to the global market. Leaders of both parties should put aside politics and get this deal done. •

By Mr. DORGAN (for himself, Mr. DASCHLE, Mr. CONRAD, Mr. LEVIN, Mr. REID, Mr. WELLSTONE, Mr. SIMON, Mr.

FEINGOLD, Mr. KENNEDY, Mr. LEAHY, Mr. HARKIN, Mr. BYRD, Mr. FORD, Mr. KERREY, Mr. BUMPERS, and Mr. KERRY):

S. 1355. A bill to amend the Internal Revenue Code of 1986 to end deferral for U.S. shareholders on income of controlled foreign corporations attributable to property imported into the United States; to the Committee on Finance.

THE AMERICAN JOBS AND MANUFACTURING PRESERVATION ACT

Mr. DORGAN. Mr. President, we will soon be making a number of tough choices on the Senate floor to reduce the Federal deficit. There is one choice, however, which should be easy for most of us: eliminating the costly and misguided tax subsidy which encourages American firms to move abroad and then compete, unfairly, with Main Street businesses in the U.S. market.

That's why I rise today—with 15 of my Senate colleagues—to introduce the American Jobs and Manufacturing Preservation Act. It repeals a perverse Federal tax incentive which actually encourages many of the finest U.S. companies to shut down their manufacturing plants in the United States, move them—and the jobs they provide—abroad, and then supply the U.S. market from foreign tax havens.

The often-overlooked loss of our manufacturing jobs is alarming. Yet the Federal Government actually rewards U.S. companies that move their jobs and capital to foreign tax havens.

This special tax subsidy is called deferral. The way it works is quite simple. If a U.S. company moves an operation abroad, it can defer its taxes on the resulting profits until it sends those profits back to the United States in the form of dividends. Evidence shows that this special tax break costs U.S. taxpayers billions of dollars in lost revenues, and accelerates the movement of U.S. jobs overseas.

According to the Bureau of Labor Statistics, about 3 million U.S. manufacturing jobs have been lost since 1979. One half of that job loss in manufacturing, 1.4 million, occurred between January 1989 and September 1993. During this time, the United States lost an average of 26,000 manufacturing jobs per month. This is the equivalent to shutting down one Fortune 500 manufacturing firm per month, for 56 months. While there was a short period of job growth in manufacturing in late 1993 and 1994, there are new and disturbing signs that employment in manufacturing is again declining.

While the United States was losing manufacturing jobs, many foreign tax havens were seeing significant increases in jobs creation from U.S. owned subsidiaries. For example, while the United States was losing 3 million manufacturing jobs, the number of jobs with United States based companies in Singapore sky-rocketed by 46 percent, or 36,800 jobs. In 1992, U.S. firms had

hundreds of thousands of manufacturing jobs located in tax haven countries.

The Federal Government has just started to track data to tell us how many of the U.S. jobs lost through plant closure moved overseas. However, if only half of the plant closings involved these runaway plants moving jobs to other countries, this would account for the elimination of more than half a million U.S. manufacturing jobs per year.

This legislation is carefully targeted. It would end tax deferral only where U.S. multinationals produce abroad in foreign tax havens, and then ship those tax haven-produced products back into the United States. It is important to note that this bill does nothing to hinder U.S. multinationals that produce abroad from competing with foreign firms in foreign markets.

We can hardly be shocked when U.S. companies move jobs overseas—jobs which produce goods for U.S. consumption, no less—when we offer a special tax break giving them an unfair advantage over U.S. competitors to do so. Add the low tax rates and labor costs which foreign governments often use to entice U.S. firms to move overseas and it's not surprising at all that many companies find the lure to move U.S. jobs to foreign countries irresistible.

Congress should act now both to protect American jobs and to prevent any further erosion of our domestic economic base. And I intend to offer this legislation as amendment to the budget reconciliation bill later this week.

Some companies may still choose to dislocate thousands of workers in America in search of greater profits abroad. But taxpayers should not be asked to provide billions of dollars in tax subsidies to encourage them to do so.

By Mr. PRESSLER:

S. 1356. A bill to amend the Shipping Act of 1984 to provide for ocean shipping reform, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE OCEAN SHIPPING REFORM ACT OF 1995

• Mr. PRESSLER. Mr. President, I ask unanimous consent that a summary of the text of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE OCEAN SHIPPING REFORM ACT OF 1995

ELIMINATION OF THE FEDERAL MARITIME COMMISSION

Under the new legislation the Federal Maritime Commission will be eliminated no later than October 1, 1997. The legislation directs that the existing functions and responsibilities of the Commission should begin to be transferred to the Secretary of Transportation, beginning as soon as practical in fiscal year 1996.

ELIMINATION OF TARIFF ENFORCEMENT AND TARIFF AND CONTRACT FILING

On January 1, 1997, tariffs shall no longer be enforced and, on June 1, 1997, all requirements that tariffs and service contracts be

filed with the federal government are eliminated.

COMMON CARRIAGE

On June 1, 1997, a new and separate system for common and contract carriage takes effect. Under the common carriage regime, common carriers and conferences will be required to make available a schedule of transportation rates which shall include the rates, terms, and conditions for transportation services not governed by an ocean transportation contract. Upon the request of any person, the schedule of transportation rates shall be provided to the requesting person in writing. Common carriers and conferences may assess a reasonable charge for providing the schedule in writing; however, the charge may not exceed the cost of providing the information requested. Any disputes concerning the applicability of the rates, terms, and conditions provided, or any claim involving false billing, false classification, false weighing, false report of weight, or false measurement must be decided in State or Federal court.

CONTRACT CARRIAGE

The new legislation eliminates completely the rules and requirements pertaining to service contracts and establishes a broad and deregulated system of ocean transportation contracts. Under this system, one or more common carriers or a conference may enter into an ocean transportation contract with one or more shippers (as discussed below the definition of shipper has been expanded to include shippers' associations and ocean freight forwarders that accept responsibility for the payment of the ocean freight). The duties of the parties to an ocean transportation contract are limited to the duties specified by the terms of the contract, and ocean transportation contracts may not be challenged on the grounds that the contract violates a provision of the Act. The exclusive remedy for an alleged breach of an ocean transportation contract is an action in State or Federal court.

Ocean transportation contracts are not required to be filed with the federal government as are service contracts, and on January 1, 1998, such contracts may be made on a confidential basis, upon agreement of the parties. Also effective on January 1, 1998 is a requirement that members of a conference agreement may not be prohibited or restricted from agreeing with one or more shippers that the parties to the contract will not disclose the rates, services, terms, or conditions of that contract to any other member of the agreement, to the conference, to any other carrier, shipper, conference, or to any other third party.

INDEPENDENT ACTION ON CONTRACTS

On January 1, 1997, authorization is provided to the members of conference agreements to enter individual and independent contracts and, on June 1, 1997, the requirement that conferences may not prohibit or restrict conference members from engaging in individual negotiations for contracts and may not issue mandatory rules affecting individual contracts is implemented. However, a conference may require that a member of the conference disclose the existence of an individual contract or negotiations for a contract when the conference enters negotiations for a contract with the same shipper.

INDEPENDENT ACTION ON CONFERENCE RATES

On June 1, 1997, the notice requirements concerning independent action on conference common carriage rates is reduced from 10 calendar days to 3 business days.

CHANGES TO PROHIBITED ACTS

All prohibited acts related to rebating are stricken from the Shipping Act on January

1, 1997, and a new antidiscrimination provision is added that prohibits unreasonable discrimination by one or more common carriers against a person, place, port, or shipper, except when entering ocean transportation contracts.

On June 1, 1997, several other prohibitions concerning discrimination are stricken as is the restriction on the use of loyalty contracts. However, prohibitions concerning retaliation by carriers, the employment of fighting ships unreasonable refusals to deal, refusals to negotiate with shippers' associations, the acceptance of cargo or contracts with non-licensed and bonded ocean freight forwarders, and improper disclosure of information are retained. The legislation adds a new and controversial prohibited act that prevents conferences from subjecting a person, place, port, class or type of shipper, or ocean freight forwarder, to unjust or unreasonable ocean contract provisions.

EXPANSION OF THE MEANING OF SHIPPER

The definition of shipper is expanded to include shippers' associations and ocean freight forwarders that accept responsibility for payment of the ocean freight. One of the primary purposes of this change was to ensure that shippers' associations and ocean freight forwarders could enter ocean transportation contracts under the new contract carriage scheme established by the legislation. This change will also afford certain protections to such entities that traditionally have been limited to shippers.

OCEAN FREIGHT FORWARDERS/NVOCCS

The new Act collapses the definition of non-vessel-operating common carriers ("NVOCCs") into the definition of ocean freight forwarders and requires all United States ocean freight forwarders to obtain a license and bond (or other surety). This change effectively eliminates the confusing legal distinctions between various types of third parties who perform similar or related functions.

OTHER CHANGES TO DEFINITIONS

The definitions of certain terms that are no longer relevant or necessary under the new statutory scheme are stricken (*i.e.* "deferred rebates," "bulk cargo," "forest products," "loyalty contracts" and "service contracts") and a new definition for "ocean transportation contracts" is added.

CONTROLLED CARRIERS AMENDMENTS

All requirements that controlled carriers file tariffs with the FMC are eliminated by the new legislation. Additionally, a new provision is added to this section of the '84 Shipping Act that would expand the application of rate scrutiny to not only controlled carriers but to "ocean common carriers that have been determined by the Secretary to be structurally or financially affiliated with nontransportation entities or organizations (government or private) in such a way as to affect their pricing or marketplace behavior in an unfair, predatory, or anticompetitive way that disadvantages United States carriers." The Secretary may make such a determination upon the request of any person or upon his own motion. This provision has been strongly criticized by many foreign carriers.

MARINE TERMINAL OPERATOR SCHEDULES

In order to address concerns raised by the ports and other providers of terminal services relative to the elimination of tariff enforcement, a provision is included in the Act that would require marine terminal operators to make a schedule of rates, regulations, and practices available to the public. This schedule shall be enforceable as an implied contract, without proof of actual knowledge of its provisions, for any activity taken by

the operator to— (1) efficiently transfer property between transportation modes; (2) protect property from damage or loss; (3) comply with any governmental requirement; or (4) store property in excess of the terms of any other contract or agreement, if any, entered into by the marine terminal operator.

POLICY REGARDING FOREIGN GOVERNMENTS' OWNERSHIP AND CONTROL OF OCEAN COMMON CARRIERS

The Secretary of Transportation is required under the Act to implement a negotiation strategy to persuade foreign governments to divest themselves of ownership and control of ocean common carriers. The Secretary must develop and submit such strategy to Congress no later than January 1, 1997.

OTHER AMENDMENTS

Technical and conforming changes were made to the Penalties section of the 1984 Shipping Act and the Foreign Laws and Practices Act. In addition, the requirement concerning anti-rebating certificates is eliminated.

ADDITIONAL COSPONSORS

S. 581

At the request of Mr. FAIRCLOTH, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Montana [Mr. BURNS], and the Senator from Tennessee [Mr. FRIST] were added as cosponsors of S. 581, a bill to amend the National Labor Relations Act and the Railway Labor Act to repeal those provisions of Federal law that require employees to pay union dues or fees as a condition of employment, and for other purposes.

S. 607

At the request of Mr. WARNER, the names of the Senator from Colorado [Mr. CAMPBELL] was added as cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

At the request of Mr. PRYOR, the names of the Senator from Oklahoma [Mr. INHOFE] and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.